



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil Gas and Mining

JOHN R. BAZA  
Division Director

May 11, 2007

Mr. Robert Jones, Manager  
Bluffdale Sand & Gravel, Inc.  
5635 Waterbury Way, Suite C-100  
Salt Lake City, Utah 84121

Subject: Notice of Cancellation/Termination of Reclamation Surety Corporate Surety, 215 96 06, Bluffdale Sand & Gravel, Inc., Bluffdale Sand and Gravel (S/035/022), Salt Lake County, Utah

Dear Mr. Jones:

Please review the enclosed Bond Notice of Cancellation and/or Termination indicating the surety bond in the amount of \$17,000.00 is being cancelled and/or terminated in accordance to the provisions of the bond. According to the terms of the bond, the surety may not be renewed as long as a ninety (90) day notice is given to the Division. These terms have been met, therefore, effective July 27, 2007, the bond will be terminated. Paragraph 2 of the Reclamation Contract, states the Operator shall provide a replacement surety within sixty (60) days following the Division's receipt of the cancellation/termination notice.

**You are hereby advised that the Division must receive a replacement form of surety within 60 days or on June 27, 2007 or the Division will be forced to do any/some of the following:**

- **Submit the surety for payment prior to termination date;**
- **Submit a request to the Board of Oil, Gas and Mining to withdraw the permit;**
- **Order the cessation of mining operations;**
- **Order immediate reclamation of all lands affected**



Page 2

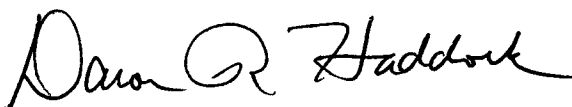
Bluffdale Sand & Gravel Inc.

S/035/022

May 11, 2007

Please direct questions and correspondence to: Surety Coordinator, Ms. Beth Ericksen (801) 538-5318. Thank you in advance for your prompt attention to this important permitting requirement.

Sincerely,

*for* 

Susan M. White  
Mine Program Coordinator  
Minerals Regulatory Program

SMW:BE:be

Fed ex

Enc. Notice of Cancellation and/or Termination dated April 25, 2007

cc: Beth Ericksen, DOGM

Daron Haddock, DOGM

Presidio Insurance, 5295 South 300 West #550, SLC, Utah 84157 (w/enc)

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I.C.W. GROUP

☒ INSURANCE COMPANY OF THE WEST  
☐ EXPLORER INSURANCE COMPANY  
☐ INDEPENDENCE CASUALTY AND SURETY COMPANY

960 LeVoy Drive, Suite 2230, Salt Lake City, UT 84213 Phone (801) 685-7450 Fax (801) 685-7454

RECEIVED

APR 27 2007

DIV. OF OIL, GAS & MINING

## BOND NOTICE OF CANCELLATION

ADDRESS ALL CORRESPONDENCE RELATING TO THIS NOTICE TO THE ABOVE ADDRESS.

State of Utah, Department of Natural Resources  
1594 West No. Temple Ste 1210  
Salt Lake City, UT 84114

DATE: 4/25/2007

PLEASE TAKE NOTICE THAT INSURANCE COMPANY OF THE WEST ELECTS TO CANCEL THE BELOW DESCRIBED BOND.

KIND OF BOND: Reclamation

EFFECTIVE DATE OF BOND: 4/8/2005

BOND NO.:

CANCELLATION TO BECOME EFFECTIVE 90 DAYS AFTER THE RECEIPT OF THIS NOTICE.

BY: \_\_\_\_\_

*Helene Dule*

ATTORNEY-IN-FACT

(SEAL)

CC: AGENT

Presidio Insurance  
5295 South 300 West # 550  
Salt Lake City, UT 84157

PRINCIPAL

Bluffdale Sand & Gravel, Inc.  
5635 S. Waterbury Way, C-100  
Salt Lake City, UT 84121

5/035/022

**ICW GROUP**  
**Power of Attorney**  
**Insurance Company of the West**

**The Explorer Insurance Company      Independence Casualty and Surety Company**

KNOW ALL MEN BY THESE PRESENTS: That Insurance Company of the West, a Corporation duly organized under the laws of the State of California, The Explorer Insurance Company, a Corporation duly organized under the laws of the State of Arizona, and Independence Casualty and Surety Company, a Corporation duly organized under the laws of the State of Texas, (collectively referred to as the "Companies"), do hereby appoint

**HILARY DURKEE**

their true and lawful Attorney(s)-in-Fact with authority to date, execute, sign, seal, and deliver on behalf of the Companies, fidelity and surety bonds, undertakings, and other similar contracts of suretyship, and any related documents.

In witness whereof, the Companies have caused these presents to be executed by its duly authorized officers this 16th day of January, 2001.



*John H. Craig*

John H. Craig, Assistant Secretary

**INSURANCE COMPANY OF THE WEST  
 THE EXPLORER INSURANCE COMPANY  
 INDEPENDENCE CASUALTY AND SURETY  
 COMPANY**

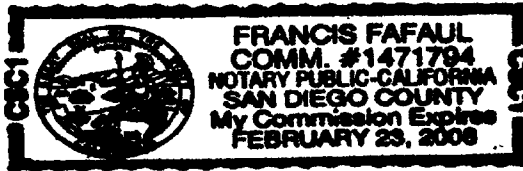
*John L. Hannum*

John L. Hannum, Executive Vice President

State of California      }  
 County of San Diego    } ss.

On August 29, 2005, before me, Francis Fafaul, Notary Public, personally appeared John L. Hannum and John H. Craig, personally known to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument, the entity upon behalf of which the persons acted, executed the instrument.

Witness my hand and official seal.



*Francis Fafaul*

Francis Fafaul, Notary Public

**RESOLUTIONS**

This Power of Attorney is granted and is signed, sealed and notarized with facsimile signatures and seals under authority of the following resolutions adopted by the respective Boards of Directors of each of the Companies:

"RESOLVED: That the President, an Executive or Senior Vice President of the Company, together with the Secretary or any Assistant Secretary, are hereby authorized to execute Powers of Attorney appointing the person(s) named as Attorney(s)-in-Fact to date, execute, sign, seal, and deliver on behalf of the Company, fidelity and surety bonds, undertakings, and other similar contracts of suretyship, and any related documents.

RESOLVED FURTHER: That the signatures of the officers making the appointment, and the signature of any officer certifying the validity and current status of the appointment, may be facsimile representations of those signatures; and the signature and seal of any notary, and the seal of the Company, may be facsimile representations of those signatures and seals, and such facsimile representations shall have the same force and effect as if manually affixed. The facsimile representations referred to herein may be affixed by stamping, printing, typing, or photocopying."

**CERTIFICATE**

I, the undersigned, Assistant Secretary of Insurance Company of the West, The Explorer Insurance Company, and Independence Casualty and Surety Company, do hereby certify that the foregoing Power of Attorney is in full force and effect, and has not been revoked, and that the above resolutions were duly adopted by the respective Boards of Directors of the Companies, and are now in full force.

IN WITNESS WHEREOF, I have set my hand this 25<sup>th</sup> day of April, 2007.

*John H. Craig*

John H. Craig, Assistant Secretary

To verify the authenticity of this Power of Attorney you may call 1-800-877-1111 and ask for the Surety Division. Please refer to the Power of Attorney Number, the above named individual(s) and details of the bond to which the power is attached. For information or filing claims, please contact Surety Claims, ICW Group, 11455 El Camino Real, San Diego, CA 92130-2045 or call (858) 350-2400.

I.C.W. GROUP

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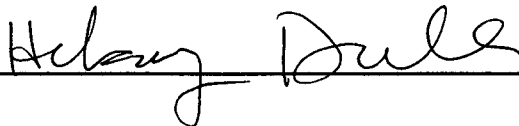
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**BY:**



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**(SEAL)**

**CC: AGENT**

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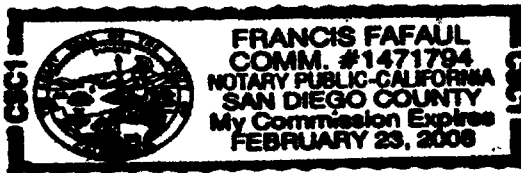
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